

Author's Explanation For SB 337 Amendments:

Amendments 1, 2, 6 through 8 accommodate an objection to SB 337 made by the PSC. The wording that is being deleted from the bill would have allowed entities that are eligible for Clean Renewable Energy Bond funding to work together by joining a green electricity buying cooperative. The PSC thought this was inconsistent with the customers that electricity buying coops are empowered to serve because some of those entities have loads larger than the 100 KW of demand. Therefore, that proposed wording is deleted. The entities have an alternative, albeit less convenient way to work together, namely through joint venture agreements.

Amendments 3 & 9 eliminate the section authorizing electricity buying cooperatives to lend money. That provision may not be needed anyway until federal law concerning the use of clean renewable energy bonds is revised to allow persons other than cooperative banks to lend money for conservation and renewable energy programs, etc.

Amendments 10 through 13 clarify the language in the bill so the authority to own renewable energy generation equipment and the poles, wires, substations and meters necessary to interconnect it is crystal clear for the purpose of bonding. The previous draft had repealed a prohibition of ownership clause and left the authority to own in the catch all authority clause, 35-19-201(10). This specific wording in the amendment clarifies the prior intent.

Amendments 4, 5 & 14 are to address amendments the rural electric cooperatives requested as a result of amendments 10 through 13. Amendments 4, 5 & 14 clarify that green buying cooperatives will not be duplicating existing poles and wires. The original bill has a section to limit duplication and this amendment will clean up other provisions to make sure that goal is accomplished.

Amendments 3, 15 & 16 are made to accommodate concerns opponents have expressed about the availability of ancillary services. The Green Buying Cooperative will have to come to the table with ancillary services.

Amendments 4, 5 & 17 are to address concerns that existing customers will face cost increases as a result of persons leaving the system to obtain green energy. They require the public service commission to develop exit and reentry tariffs so those costs are not borne by the customers who continue to want non-green electricity. In addition, they require the commission to develop a non-discriminatory, cost based tariff for one utility to provide transmission and distribution services to another. Amendment 5 defines "load" so that term may be used in amendment 17.

Amendment 16 also clarifies the ability of green buying cooperatives to actually carry out the mandate of 35-19-104 to create conservation programs for its members. It adds the word "conserve" to allow electricity buying cooperatives to sell products

necessary to conserve energy in much the same way that conventional utilities now are empowered to sell products to use it.